

SENATE, No. 2079

STATE OF NEW JERSEY
220th LEGISLATURE

INTRODUCED MARCH 3, 2022

Sponsored by:

Senator MICHAEL L. TESTA, JR.

District 1 (Atlantic, Cape May and Cumberland)

SYNOPSIS

Allocates all revenue from hotel and motel occupancy fee for arts, historical heritage, and tourism purposes.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT allocating all revenue from hotel and motel occupancy fee
2 to arts, historical heritage, and tourism purposes, amending
3 P.L.2003, c.114.

4
5 **BE IT ENACTED** by the Senate and General Assembly of the State
6 of New Jersey:

7
8 1. Section 2 of P.L.2003, c.114 (C.54:32D-2) is amended to
9 read as follows:

10 2. a. The Director of the Division of Taxation shall collect and
11 administer the fee imposed pursuant to section 1 of P.L.2003, c.114
12 (C.54:32D-1). The fees collected shall be deposited to the General
13 Fund, and shall be allocated as follows:

14 (1) of the fees collected for occupancies during State Fiscal
15 Year 2004: \$16,000,000 shall be allocated for appropriation to the
16 New Jersey State Council on the Arts for cultural projects;
17 \$2,700,000 shall be allocated for appropriation to the New Jersey
18 Historical Commission for the purposes of subsection a. of section 3
19 of P.L.1999, c.131 (C.18A:73-22.3); \$9,000,000 shall be allocated
20 for appropriation to the Division of Travel and Tourism in the
21 Department of State for tourism advertising and promotion; and
22 \$500,000 shall be allocated for appropriation to the New Jersey
23 Cultural Trust; and

24 (2) of the fees collected for occupancies during State Fiscal
25 Year 2005 and thereafter: **【22.68】** 56.7 percent shall be annually
26 allocated for appropriation to the New Jersey State Council on the
27 Arts for cultural projects, provided that of the fees collected for
28 occupancies during State Fiscal Year **【2021】** 2023 and thereafter
29 the amount allocated shall not be less than \$31,900,000; **【3.84】** 9.6
30 percent shall be allocated for appropriation to the New Jersey
31 Historical Commission for the purposes of subsection a. of section 3
32 of P.L.1999, c.131 (C.18A:73-22.3), provided that of the fees
33 collected for occupancies during State Fiscal Year **【2021】** 2023 and
34 thereafter the amount allocated shall not be less than \$5,500,000;
35 **【12.76】** 31.9 percent shall be allocated for appropriation to the
36 Division of Travel and Tourism in the Department of State for
37 tourism advertising and promotion, provided that of the fees
38 collected for occupancies during State Fiscal Year **【2021】** 2023 and
39 thereafter the amount allocated shall not be less than \$17,600,000;
40 and **【.72】** 1.8 percent shall be allocated for appropriation to the
41 New Jersey Cultural Trust, provided that the amount allocated shall
42 not be less than \$720,000.

43 b. (1) In carrying out the provisions of section 1 of P.L.2003,
44 c.114 (C.54:32D-1) and this section, the director shall have all of
45 the powers and authority granted in P.L.1966, c.30 (C.54:32B-1 et
46 seq.). The tax shall be filed and paid in a manner prescribed by the

EXPLANATION – Matter enclosed in bold-faced brackets **【thus】** in the above bill is
not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

1 Director of the Division of Taxation. The director shall promulgate
2 such rules and regulations as the director determines are necessary
3 to effectuate the provisions of section 1 of P.L.2003, c.114
4 (C.54:32D-1) and this section.

5 (2) Each person required to collect the hotel and motel
6 occupancy fee shall be personally liable for the fee imposed,
7 collected, or required to be paid, collected, or remitted under
8 section 1 of P.L.2003, c.114 (C.54:32D-1). Any such person shall
9 have the same right in respect to collecting the fee from that
10 person's customer or in respect to non-payment of the fee by the
11 customer as if the fee were a part of the purchase price of the
12 occupancy or rent, as the case may be, and payable at the same
13 time; provided however, that the director shall be joined as a party
14 in any action or proceeding brought to collect the fee.

15 For purposes of this paragraph, "person" includes: an individual,
16 partnership, corporation, or an officer, director, stockholder, or
17 employee of a corporation, or a member or employee of a
18 partnership, who as such officer, director, stockholder, employee, or
19 member is under the duty to perform the act in respect of which the
20 violation occurs.

21 (3) Notwithstanding any other provision of law or
22 administrative action to the contrary, transient space marketplaces
23 shall be required to collect and pay on behalf of persons engaged in
24 the business of providing transient accommodations located in this
25 State the tax for transactions obtained through the transient space
26 marketplace. For not less than four years following the end of the
27 calendar year in which the transaction occurred, the transient space
28 marketplace shall maintain the following data for those transactions
29 consummated through the transient space marketplace:

30 (1) The name of the person who provided the transient
31 accommodation;

32 (2) The name of the customer who procured occupancy of the
33 transient accommodation;

34 (3) The address, including any unit designation, of the transient
35 accommodation;

36 (4) The dates and nightly rates for which the consumer procured
37 occupancy of the transient accommodation;

38 (5) The municipal transient accommodation registration number,
39 if applicable;

40 (6) A statement as to whether such booking services will be
41 provided in connection with (i) short-term rental of the entirety of
42 such unit, (ii) short-term rental of part of such unit, but not the
43 entirety of such unit, and/or (iii) short-term rental of the entirety of
44 such unit, or part thereof, in which a non-short-term occupant will
45 continue to occupy such unit for the duration of such short-term
46 rental;

47 (7) The individualized name or number of each such
48 advertisement or listing connected to such unit and the uniform

1 resource locator (URL) for each such listing or advertisement,
2 where applicable; and

3 (8) Such other information as the Division of Taxation may by
4 rule require.

5 The Division of Taxation may audit transient space marketplaces as
6 necessary to ensure data accuracy and enforce tax compliance.

7 c. The annual appropriations act for each State Fiscal Year,
8 commencing with fiscal year 2005, shall appropriate and distribute
9 during that fiscal year amounts not less than the amounts otherwise
10 specified for State Fiscal Year 2005 in paragraph (2) of subsection
11 a. of this section for the purposes specified in paragraph (2) of
12 subsection a. of this section.

13 d. If the provisions of subsection c. of this section are not met
14 on the effective date of an annual appropriations act for the State
15 fiscal year, or if an amendment or supplement to an annual
16 appropriations act for the State fiscal year should violate the
17 provisions of subsection c. of this section, the Director of the
18 Division of Budget and Accounting in the Department of the
19 Treasury shall, not later than five days after the enactment of the
20 annual appropriations act, or an amendment or supplement thereto,
21 that violates the provisions of subsection c. of this section, certify to
22 the Director of the Division of Taxation that the requirements of
23 subsection c. of this section have not been met.

24 e. The Director of the Division of Taxation shall, no later than
25 five days after certification by the Director of the Division of
26 Budget and Accounting in the Department of the Treasury pursuant
27 to subsection d. of this section that the provisions of subsection c.
28 of this section have not been met or have been violated by an
29 amendment or supplement to the annual appropriations act, notify
30 each person required to collect tax of the certification and that the
31 fee imposed pursuant to section 1 of P.L.2003, c.114 (C.54:32D-1)
32 shall no longer be paid or collected.
33 (cf: P.L.2019, c.333)

34

35 2. This act shall take effect immediately.

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STATEMENT

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40 This bill increases the allocation of revenues from the hotel and
41 motel occupancy fee towards arts, historical heritage, and tourism
42 purposes from 40 percent to 100 percent, beginning in State Fiscal
43 Year 2023.

44 Under current law, the allocation of 40 percent of hotel and
45 motel occupancy fee revenue is as follows:

46 1) 22.68 percent to the New Jersey State Council on the Arts
47 for cultural projects as long as the actual dollar amount allocated is
48 at least \$31.9 million;

1 2) 3.84 percent to the New Jersey Historical commission for
2 historical heritage purposes, as long as at least \$5.5 million is
3 allocated;

4 3) 12.76 percent to the Division of Travel and Tourism in the
5 Department of State for tourism as long as at least \$17.6 million is
6 allocated; and

7 4) 0.72 percent to the New Jersey Cultural Trust as long as the
8 amount is not less than \$720,000.

9 Under this bill, 100 percent of the hotel and motel occupancy fee
10 revenues would allocated as follows:

11 1) 56.7 percent would go to the New Jersey State Council on
12 the Arts for cultural projects as long as the actual dollar amount
13 allocated is at least \$31.9 million;

14 2) 9.6 percent would go to the New Jersey Historical
15 commission for historical heritage purposes, as long as at least \$5.5
16 million is allocated;

17 3) 31.9 percent would go to the Division of Travel and Tourism
18 in the Department of State for tourism as long as at least \$17.6
19 million is allocated; and

20 4) 1.8 percent would go to the New Jersey Cultural Trust as
21 long as the amount is not less than \$720,000.